

**Functional Series 400
Personnel**

INTERIM UPDATE 04-06

SUBJECT: 2004 Performance-Based Cash Awards for Civil Service, Foreign Service and Non-Career Limited Foreign Service Employees, FS-1/GS-15 and below

REVISED MATERIAL: The Agency has established a bonus pool to provide performance-based cash awards to deserving Civil Service (CS) and Foreign Service (FS) employees, both overseas and in Washington, in grades GS-15/FS-1 and below. Non-career limited FS employees, FS-1 and below, may also be considered for performance-based cash awards.

EFFECTIVE DATE: 08/26/2004

POLICY

USAID/General Notice
M/HR/PPIM
08/26/2004

SUBJECT: 2004 Performance-Based Cash Awards for Civil Service, Foreign Service and Non-Career Limited Foreign Service Employees, FS-1/GS-15 and below

The Office of Human Resources (M/HR) is pleased to announce that the Agency has approved and allocated funds to establish a bonus pool to provide performance-based cash awards to deserving Civil Service (CS) and Foreign Service (FS) employees, both overseas and in Washington, in grades GS-15/FS-1 and below. In addition, non-career limited FS employees, FS-1 and below, may also be considered for performance-based cash awards.

Pool Managers are cautioned to read carefully the following annual policy guidance for administering this year's performance based-cash awards program. Failure to adhere strictly to these procedures may result in no performance awards being processed and paid out to employees in a particular operating unit's performance pool.

1. Compliance with the "33 percent rule"

Pool Managers and M/HR staff will be held accountable for complying with the "33 percent rule" which limits the number of performance-based cash awards to no more than 33 percent of eligible employees in a performance pool. The 33 percent rule should not be construed as a benchmark but as an absolute.

Pool Managers are advised that any awards pool sheets returned to M/HR that provide awards for more than 33 percent of the employees eligible to receive awards in that operating unit will not be processed by M/HR. As a result, the affected operating unit(s)

will forfeit any eligibility for performance awards for employees in that particular performance pool.

Operating units in Washington are defined as Bureaus and Independent Offices that report directly to the Administrator. Missions are included in the pool of their parent regional bureau. In the limited case of small operating units; i.e., Independent Offices with 10 or fewer employees, which report directly to the Administrator, an operating unit may award up to 50 percent of their eligible employees with performance awards.

In carrying out their responsibilities, Pool Managers are expected to ensure a fair and equitable disbursement of funds available for distribution in their operating unit's performance pool. The size of the performance pool for each operating unit varies as a function of the numbers and grade levels of the eligible employees in the unit. The pool is 1.66 percent of the total salaries of all eligible employees in the operating unit.

Pool Managers are instructed to consider their entire staff as one single operating unit for purposes of administering the 33 percent rule. In practice, it is conceivable that more than 33 percent of eligible employees in a particular subunit or a small mission may receive performance awards; however, in such cases, the total number of performance awards may not exceed 33 percent of eligible employees within the entire performance pool for that particular operating unit.

2. General Guidance and Eligibility

Performance-based cash awards are designed to reward employees who have demonstrated high-quality performance during the 12-month rating period, stood out among their peers, and made significant contributions to the accomplishment of the Agency's mission as reflected in their annual performance rating of record.

All performance award determinations will be based on Civil Service employees' Annual Evaluation Form for the 2003 rating cycle which ended on December 31, 2003, and Foreign Service employees' Annual Evaluation Form for the 2003-2004 rating cycle which ended on March 31, 2004.

In order to be eligible for a performance-based cash award, employees must meet the following criteria:

- a. Civil Service employees must have received a summary performance rating of record for the 2003 rating cycle of "Exceptional," "Excellent" or "Fully Successful" (levels 3, 4 or 5).
- b. Foreign Service (career or career candidate) employees must have received a report card rating of "B" or better issued by the 2004 Foreign Service Performance Board.
- c. Non-career limited FS employees may also be considered for performance awards in a separate agency-wide performance pool. To be eligible, they must have received an

Annual Evaluation Form for the 2003-2004 rating cycle. Non-career limited FS employees are not reviewed by performance (promotion) boards for promotion consideration, and therefore, do not receive report card ratings. The performance pool convened for this purpose will review the completed AEFs for all non-career limited FS employees along with award nominations that address specific performance accomplishments submitted by their Rating Official and Division Chief, or equivalent.

Bureaus that wish to consider an FS non-career limited employee for a performance award must provide Pat Johnson, M/HR/EM, a copy of the employee's AEF for the last rating cycle and a supporting nomination from the employee's supervisor by no later than Friday, September 3, 2004.

d. Rating Officials who did not complete annual performance evaluations for their employees for the applicable rating cycles by the due date are not eligible for performance-based cash awards.

3. Instructions for Administering Awards Pool Sheets

M/HR/EM staff will issue an awards pool sheet to Pool Managers who lists all employees in their operating unit that are eligible to receive performance-based cash awards. Pool Managers are requested to return the awards pool sheets with their award determinations to Pat Johnson, M/HR/EM, by close of business on Wednesday, September 15, 2004.

To reiterate, failure by the Pool Manager to comply with the 33 percent rule will result in forfeiture of performance awards for all employees in that operating unit's performance pool. In addition, failure to return the awards pool sheets with award determinations by the required due date to M/HR/EM so that awards may be input into NFC for timely payment before the end of the current fiscal year may result in no awards for that Bureau or Office being processed.

The names of performance award recipients will be published in the awards booklet that is presented at the Agency's 2004 Annual Awards Ceremony in the fall.

This guidance will be incorporated in ADS 461, Employee Evaluation Program, Foreign Service and Senior Foreign Service, and ADS 462, Employee Evaluation Program, Civil Service.

Questions regarding the administration and processing of performance awards should be directed to Pat Johnson, M/HR/EM, on (202) 712-0373.

Point of Contact: Any questions concerning this Notice may be directed to Joann Jones, M/HR/PPIM, (202) 712-5048.

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IU4_0406_082704_cd37	08/26/04	08/26/04	N/A	CD 37	This will be incorporated in ADS 461 and ADS 462.

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